

August 22, 2005

Maine Milk Commission Special Meeting Minutes
Deering Building, Room 233
Hospital Street, Augusta, Maine 04333

Notices for the August 22, 2005 meeting were distributed to Commission members, intervenors and other interested parties July 22, 2005 and sent to the Secretary of State's Office for posting on July 22, 2005.

Commission Present: Chair Michael Wiers, Colon Durrell and Shelley Doak.

Commission Absent: John Joseph Jr. and Katherine O. Musgrave

Department Officials: Commissioner Robert Spear

Staff Present: Stanley K. Millay, Executive Director

Legal Counsel: Lucinda White, Assistant Attorney General

Intervenors Present: John Blake, H.P. Hood, Inc., John Economy, Garelick Farms of Maine, Thomas Brigham, Oakhurst Dairy

Others Present: Dale Cole, Fred Hardy and Julie-Marie Bickford from the Maine Dairy Industry Association (MDIA), Timothy Dalton and Lisa Bragg from the University of Maine.

Meeting called to order at 1:40 P.M.

Agenda Item 1: Minutes: Colon Durrell made a motion to accept the minutes of the July 22, 2005 meeting as written. Shelley Doak seconded. Motion passed 2-0.

Agenda Item 2: Lucinda White, Assistant Attorney General: Lucinda reported that there were no legal issues.

Agenda Item 3: Minimum Prices: The prevailing premium is \$1.10 for September 2005 reported by Dairy Marketing Services and Agri-Mark Cooperative.

Shelley Doak made a motion to accept the price schedule #09-05 as presented with the producer cost of production at \$0.79 for September 2005 on Class I and \$0.15 on Class II and \$1.10/cwt. over-order prevailing premium on Class I and \$0.93/cwt. added to Class I in accordance with the handling fee legislation. Colon Durrell seconded. Motion passed 2-0.

Minimum milk prices adopted include the Federal Order Class I price for September 2005 of \$16.95 plus a processor assessment of \$0.20/cwt. The Class I price decreased \$0.74 from August 2005.

There is no Farm Bill Counter Cyclical Payment (MILC) for September 2005.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for August 2005 which included prices for Augusta and Bangor.

Agenda Item 5: Next Scheduled Meetings:

- September 23, 2005, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- October 21, 2005, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- November 18, 2005, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine
- December 23, 2005, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources
Augusta, Maine

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission Reviewed the income and expenditures.
2. **Producer Margins:** Timothy Dalton and Lisa Bragg attended and presented a progress report on the cost of production survey.

Dr. Dalton presented the Commission with three groupings of Maine dairy producers, small, medium and large. Organic farms were not included. He explained the analysis of his data and stated that the three groups were statistically valid. Some very large farms and some very small farms were excluded because their costs tended to distort the results. Dr. Dalton stated that the three groupings as presented covered 90% of Maine farms and were more representative of farms in those groups than would be the case if the excluded farms were put back in.

Tom Brigham from Oakhurst Dairy stated that excluding the large volume of milk produced by the very large farms whose data was not included in the groupings would tend to skew the costs set forth in the three groups presented.

John Economy from Garelick Farms of Maine questioned how the volume of milk excluded would impact the results.

Dr. Dalton explained that the data from the very large or very small farms, if included, changed the end result so that the costs do not represent the groupings as well.

John Blake from H.P. Hood and Tom Brigham both questioned whether or not the findings would be valid given the large volume of milk excluded from the study.

Julie-Marie Bickford from MDIA stated that including either the few very small or few very large farms that were left out of the current groups would make the results more inaccurate and less valid.

Colon Durrell made a motion instructing Dr. Dalton to proceed with the study using the three groupings of farms as presented. Shelley Doak seconded. Motion passed 2-0.

Dr. Dalton stated that he would prepare the farm groupings including the data from those that were removed and bring that information to the next meeting so that the Commission could compare the difference.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session

Meeting Adjourned: 2:27 p.m.

Stanley Millay, Executive Director, Maine Milk Commission